



State of Utah

Department of Natural Resources

ROBERT L. MORGAN
Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

October 28, 2004

Tom Mathison
Shaw Environmental, Inc.
2790 Mosside Boulevard
Monroeville, Pennsylvania 15146

Subject: Acceptance of Notice of Intention to Commence Small Mining Operations and Formal Approval of Form and Amount of Reclamation Surety, Shaw Environmental, Inc., Homansville Processing and Stockpile Area Mine, S/049/047, Utah County, Utah

Dear Mr. Mathison:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial \$150.00 permit application fee, received by the Division on October 19, 2004. The proposed Homansville Processing and Stockpile Area Project is located in portions of the N1/2 of the NE1/4 of Section 8, T10S, R2W, Utah County, Utah.

The Division finds your application complete and no additional information is required by this office at this time. On October 26, 2004, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety. The reclamation surety in the amount of \$17,000 is in the form of a Certificate of Deposit issued by Union Planters Bank of Baton Rouge, Louisiana. Copies of the fully signed and executed Reclamation Contract and CD forms are enclosed for your files. ***The Division hereby grants its final acceptance of your small mining notice of intention and the reclamation surety for the Homansville Processing and Stockpile Area Mine.***

Unlike large mining operations where the surety is escalated five years into the future, the surety for small mining operations will be reviewed periodically to assure that the bond remains adequate.

In accordance with the requirements of Rule R647-3-105, regarding the project location and disturbed area identification on a topographic map, ***the Division also requires the operator mark the proposed/actual disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or other suitable, fixed***

Tom Mathison
Page 2 of 2
S/049/047
October 28, 2004

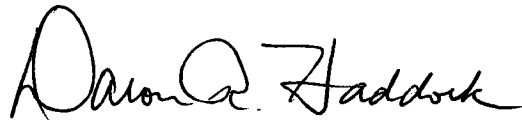
markers) to assure that operations do not exceed the five acre limitation of this permit. Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 2002, and annually thereafter, the fees were increased to \$150.00 for small mining notices.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-summary). Please give special consideration to item #10 of the "Operation and Reclamation Practices." Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Lynn Kunzler at 538-5310. Best wishes with your new mining venture.

Sincerely,



Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:lk:jb
Attachment: SMO summary
Enclosure: Copy of RC & surety forms
O:\M049-Utah\S0490047-Homansville\final\apvl-SMO&surety-10282004.doc

FORM MR-RC
Revised January 30, 2003
RECLAMATION CONTRACT

File Number S/049/047
Effective Date Oct 26, 2004
Other Agency File Number n/a

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT
---ooOoo---

RECEIVED
OCT 19 2004
DIV. OF OIL, GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

S/049/047

Rock

"MINE LOCATION":
(Name of Mine)
(Description)

Homansville Processing & Stockpile Area
located approximately 1/2 mile East of
Eureka on the North side of Highway 6

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

5 Acres

(refer to Attachment "A")

"OPERATOR":
(Company or Name)
(Address)

Shaw Environmental, Inc.

Tom Mathison

2790 Moss side Blvd.

Monroeville, PA 15146

(Phone)

(412) 380-6207

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

CT Corporation System

50 W. Broadway - 8th Floor

Salt Lake City, Utah 84101

(801) 364-5101

"OPERATOR'S OFFICER(S)":

Tim Barfield - President & COO

Diana Severs Ferguson - President Shaw E & I

Joe Boyer - Vice President Shaw E & I

SURETY":

(Form of Surety - Attachment B)

CD

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Union Planters Bank

"SURETY AMOUNT":

(Escalated Dollars)

\$17,000.00

"ESCALATION YEAR":

2005

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Shaw Environmental, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/049/047 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved Notice of Intention and Reclamation Plan received October 19, 2004. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Shaw Environmental, Inc.

Operator Name

By: Joe Boyer

Authorized Officer (Typed or Printed)

Vice President

Authorized Officer - Position

[Signature]

Officer's Signature

10/4/04

Date

STATE OF

TEXAS

COUNTY OF

TRAVIS

) ss:

On the 4th day of October, 2004, Joe Boyer ^{Date}
personally appeared before me, who being by me duly sworn did say that he/she is the
Vice President of Shaw Environmental, Inc. and
duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws
or a resolution of its board of directors and said Joe Boyer duly acknowledged to
me that said company executed the same.

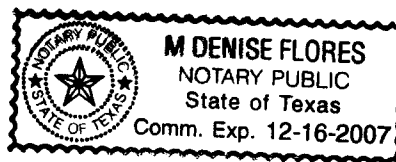
M. Denise Flores

Notary Public

Residing at 8501 N. Mapac, Ste. 320, Austin, Tx. 78759

12-16-2007

My Commission Expires:



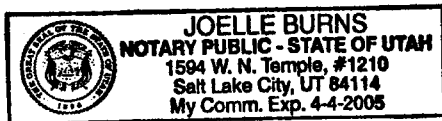
DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

10/26/04
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 26th day of October, 2004, Lowell P Braxton
personally appeared before me, who being duly sworn did say that he, the said
Lowell P Braxton is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: S LC Utah

April 4, 2005
My Commission Expires:

ATTACHMENT "A"

Shaw Environmental Inc.
Operator

Homansville Processing & Stockpile Area
Mine Name

S/049/047
Permit Number

Utah County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 5 acres under the approved permit and surety, as reflected on the attached map labeled Homansville Processing & Stockpile Area and dated _____:

SE 1/4, of NW 1/4, of NE 1/4:	Section: 8	Township: 10S	Range: 2W
NE 1/4, of NW 1/4, of NE 1/4:	Section: 8	Township: 10S	Range: 2W
NW 1/4, of NE 1/4, of NE 1/4:	Section: 8	Township: 10S	Range: 2W
SW 1/4, of NE 1/4, of NE 1/4:	Section: 8	Township: 10S	Range: 2W

ONE COMPANY | Many Solutions

UNION PLANTERS BANK
TIME DEPOSIT RECEIPT & DISCLOSURE

Account Holders: SHAW ENVIRONMENTAL, INC., FBO THE STATE OF UTAH, DIVISION OF OIL,
GAS AND MINING (DOGM) S/049/047 HOMANSVILLE PROCESSING &
STOCKPILE AREA
4171 ESSEN LANE
BATON ROUGE, LA 70809

Financial Institution: Union Planters Bank, N.A. - Baton Rouge
Commercial Loans - 7404
8440 Jefferson Highway
Baton Rouge, LA 70809-

ACCOUNT INFORMATION

Product Name: 11 Month CD Special < \$100,000	Account Number: [REDACTED]	Account Purpose: Non Consumer
Account Ownership: Corporation	SSN / TIN: [REDACTED]	Phone Number
Issue Date 09-15-2004	Deposit Amount \$17,000.00	Term 11 Months
		Maturity Date 08-15-2005

INTEREST OPTIONS

Initial Interest Rate: 2.20%	Annual Percentage Yield: 2.20%	<input type="checkbox"/> Variable Rate	<input checked="" type="checkbox"/> Fixed Rate
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RATE INFORMATION

This is an interest bearing account. The interest rate and annual percentage yield will be in effect until the Maturity Date of the account. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings. Items proceeded by a ☐ apply only if checked.

Interest begins to accrue (select one that applies) ☒ on the business day you deposit noncash items (for example, checks)
☐ no later than the business day we receive credit for the deposit of noncash items (for example, checks)

☒ Interest ☐ will not be ☒ will be compounded Annually and credited to the account At Maturity

☐ If the account is closed before interest is credited, you will not receive the accrued interest.

Time Deposits Only (select one that applies)

Interest on your account will be credited by:

☒ Adding Interest to the Principal ☐ Depositing interest to account # ☐ Mailing a check to:

BALANCE INFORMATION

We use the: (select one that applies)

☒ daily balance method to calculate interest on the account. This method applies a daily periodic rate to the principal in the account each day.

☐ average-daily-balance method to calculate interest on the account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

We use an interest accrual basis of (select one that applies):

☐ 365 for each day in the year. ☒ 365 (or 366 in leap year) for each day in the year.

☐ 360 for each day in the year.

You must maintain a minimum (select one that applies)

☐ balance of \$ in the account each day to obtain the disclosed annual percentage yield.

☐ average daily balance of \$ in the account each day to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

LIMITATIONS

☒ You must deposit \$ 5,000.00 to open this account. ☒ You may not make additional deposits into this account.

☒ You may not deposit more than \$ 99,999.99 to this account. ☒ You may not make withdrawals from your account until the maturity.

☐ Additional deposits permitted. ☐ Additional withdrawals permitted.

☒ Deposit limitations are as follows:
You may not make additional deposits into this account. You must have a Union Planters checking relationship (UP Really Free Checking is excluded)

☐ Withdrawal limitations are as follows:

☐ The minimum amount you may withdraw (write a check for) is \$

TIME ACCOUNT INFORMATION

If you withdraw any of the principal before the maturity date we may impose a penalty of: If the term of the account is 7 days to 89 days and you withdraw any of the principal before the maturity date, we may impose a penalty of an amount equal to all accrued interest. If the term of the account is 90 days to 365 days and you withdraw any of the principal before the maturity date, we may impose a penalty of an amount equal to 90 days accrued interest. If the term of the account is greater than 12 months and you withdraw any of the principal before the maturity date, we may impose a penalty of an amount equal to 180 days accrued interest. If there is not sufficient accrued interest to offset the penalty, there may be a reduction of the principal. There are certain circumstances, such as death or incompetence of an owner, where we may waive or reduce the penalty. If you close your account during the stated grace period following maturity, you will not receive interest from maturity date to date of account closure. We will use the rate in effect on the date of withdrawal. This account will automatically renew. You will have 7 days after the maturity date to withdraw funds without penalty if the term is 7 days to 31 days. You will have 10 days after maturity date to withdraw funds without penalty if the term is greater than 31 days.

We will use the rate in effect on the date of (select one that applies) ☒ the account was opened ☐ date of withdrawal

☐ This account requires the distribution of interest and does not allow interest to remain in the account. (Interim APY Rule applies)

☒ Automatic Renewal. Grace Period: 10 Days ☐ Single Maturity

If you do not renew the account, we will do the following with your deposit:
Interest will not be accrued after maturity.

☐ We reserve the right to redeem the account under the following circumstances:

NON TRANSFERABLE - NON NEGOTIABLE	Member FDIC	Signature and Title of Authorized Financial Institution Signer <i>A. Parice</i>
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*Please see reverse for TIME DEPOSIT AGREEMENT

RECEIVED

OCT 19 2004

DIV. OF OIL, GAS & MINING



OLENE S. WALKER
Governor
GAYLE F. McKEACHNIE
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

October 6, 2004

Union Planters Bank
8440 Jefferson Highway
Baton Rouge, Louisiana 70809
(225) 929-5695

RECEIVED

OCT 19 2004

DIV OF OIL GAS & MINING

Attention: Robert Lott, Senior Vice President

Subject: Reclamation Surety, Certificate of Deposit for Shaw Environmental, Inc.'s Homansville Processing & Stockpile Area Mine Site, S/049/047, Utah County, Utah
Certificate of Deposit no. ~~XXXXXXXXXX~~ Principal Amount \$17,000

This letter describes the mutually agreed upon instructions of the below signed parties to Union Planters Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Homansville Processing and Stockpile Area mine site ("Mine Site"), Utah County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$17,000 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Shaw Environmental, Inc. a Louisiana corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas

and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Directors instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD.

Release:


The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount of \$17,000. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

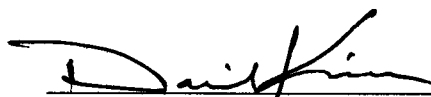
Bank will not be held liable for any dispute between the parties.

Agreed Upon By:




Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining

Date: 10/26/04



David Kinnison, Treasurer
Shaw Environmental, Inc.
Tax ID Number: ~~XXXXXXXXXX~~

Date: 10/14/04



Robert Lott, Sr. Vice President
Union Planters Bank
Corporate Lending Division

Date: 10/14/04

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